

# Springfield UGB Planning: Stakeholder Committee Meeting #3 Economic Development Strategy

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# Discussion Overview

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- Community survey results: Economic development
- Economic development policies
  - What are they trying to achieve?
  - Brainstorming strategies for Springfield

# Community Survey Results

Focusing on Economic Development

# Common characteristics: Older men living in Springfield and working in the private sector

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214 people responded to the survey

- 57% were male
- One-third were 50-59 years old
- 72% lived in Springfield's UGB
  - 14% living outside Springfield's UGB: business owners or managers in Springfield
- Most worked in the private sector
  - 30%: private sector employees
  - 22%: owned businesses or were self-employed
- Results are not statistically representative of all residents of Springfield

# More efficient land use but may approve of UGB expansion

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- Commercial and industrial land
  - Occur at higher densities: 59% agreed
  - Limit the supply of com. land to facilitate redevelopment: 48% agreed
- Consider expanding the UGB for:
  - Commercial development: 46% agreed & 25% said it depends
  - Industrial development: 42% agreed & 24% said it depends

# Multiple agencies should participate in economic development to manage growth

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- Pace of employment growth
  - Managed growth: 43%
  - Targeted growth: 35%
- Who should work to recruit, retain, and expand businesses
  - The City: 72%
  - The Chamber of Commerce: 68%
  - Lane Metro Partnership: 68%

# Support for policies to retain and expand businesses

	Agree	Neither	Disagree
Take steps to retain and expand existing businesses	<b>85%</b>	9%	4%
Focus business recruitment on businesses that provide higher-wage or family-wage jobs	<b>81%</b>	15%	3%
Actively recruit businesses	<b>73%</b>	16%	12%
Market itself better to new businesses	<b>58%</b>	28%	10%
Not provide incentives to businesses that provide low-wage jobs	<b>52%</b>	26%	22%
Provide financial incentives to attract new employment	49%	23%	26%
Not do anything to increase economic development	9%	8%	<b>84%</b>

# Support development downtown and in commercial centers

	Agree	Neither	Disagree
Encourage new businesses to locate downtown	<b>80%</b>	14%	6%
Encourage development of neighborhood commercial centers	<b>66%</b>	21%	12%
Have more land for light manufacturing	<b>44%</b>	35%	19%
Have more land for heavy industry	23%	26%	<b>48%</b>
Streamline the development permitting process	<b>70%</b>	13%	15%
Increase development fees to pay for infrastructure development	<b>56%</b>	22%	21%



# Concerns about quality of life and quality of workers

	Agree	Neither	Disagree
Have strong policies to maintain environmental quality	<b>85%</b>	11%	3%
Adopt policies that will create more affordable housing for workers	<b>65%</b>	24%	10%
The City has a well-educated labor force	25%	<b>38%</b>	32%
The City has an adequate employment base	17%	32%	<b>46%</b>

# Support providing flexible and smaller sites

	Response Percent
<b>Business parks</b>	<b>72%</b>
<b>Downtown office</b>	<b>71%</b>
<b>Downtown retail</b>	<b>70%</b>
<b>Neighborhood retail</b>	<b>58%</b>
<b>Small manufacturing sites (&lt;5 acres)</b>	<b>57%</b>
<b>Community retail</b>	<b>57%</b>
Medium manufacturing sites (5-20 acres)	43%
Regional retail	28%
Large manufacturing sites (>20 acres)	23%
Other (please specify)	15%

# Concerns about...

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- Issues and concerns
  - Failure to attract businesses
  - Appearance of downtown and Glenwood
  - Lengthy and costly building permitting process
- Actions to help solve issues
  - Targeted, active business recruiting
  - Clean up streets and storefronts
  - Streamline the permitting process

# Springfield is attractive because...

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- Attractive to employers
  - The city government embraces new businesses
  - Quality of life, recreation, “liveability”
  - Low: taxes, operating costs, utilities, and housing
- Areas of improvement
  - Redevelopment efforts, especially downtown
  - Tax breaks to businesses, protect private investment
  - Training and education opportunities for workers

# Small employers

- Of the 44% of respondents who own or manage a business or are members of the Chamber of Commerce

Answer Options	Response Percent	Response Count
Less than 10	50.0%	37
10-19	12.2%	9
20-49	10.8%	8
50-99	9.5%	7
More than 100	17.6%	13

# Businesses are concerned about...

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- 44% of respondents own or manage a business or are belong to the Chamber
- Biggest issues facing businesses at this time
  - Recruiting and retaining qualified employees
  - Recent economic downturn, impact on demand
  - High costs of business, such as health insurance
  - Federal, state, county, and city regulations
  - Slow housing market
  - Rising fuel prices

# Most business expansions will be small

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- 46% of respondents plan to expand business
- Most expansions will be small
  - 18 businesses (56%) will be by less than 5 FTE
  - 22 businesses (67%) will add < 2,000 sq. ft.
  - 24 businesses (73%) will need < 1/2 acre
- 3 or 4 businesses will have expansions that add > 50 FTE, >10,000 sq. ft, and > 5 acres

# What Are Economic Development Policies Trying to Achieve?



# Traditional, Narrower View

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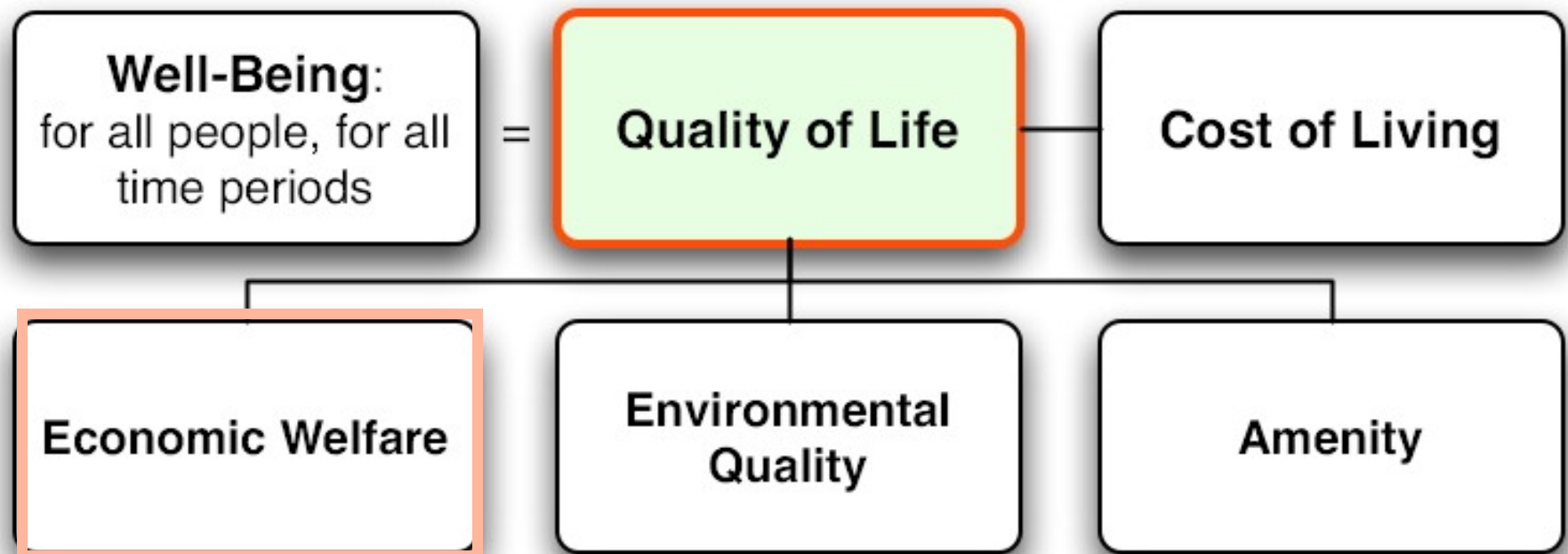
- Jobs and income
  - Retention and creation of jobs that pay high wages
  - Offer meaningful and secure labor, with opportunity for advancement
- Focus on jobs means focus on businesses
  - Industry sectors; clusters
- Focus of economic development agencies

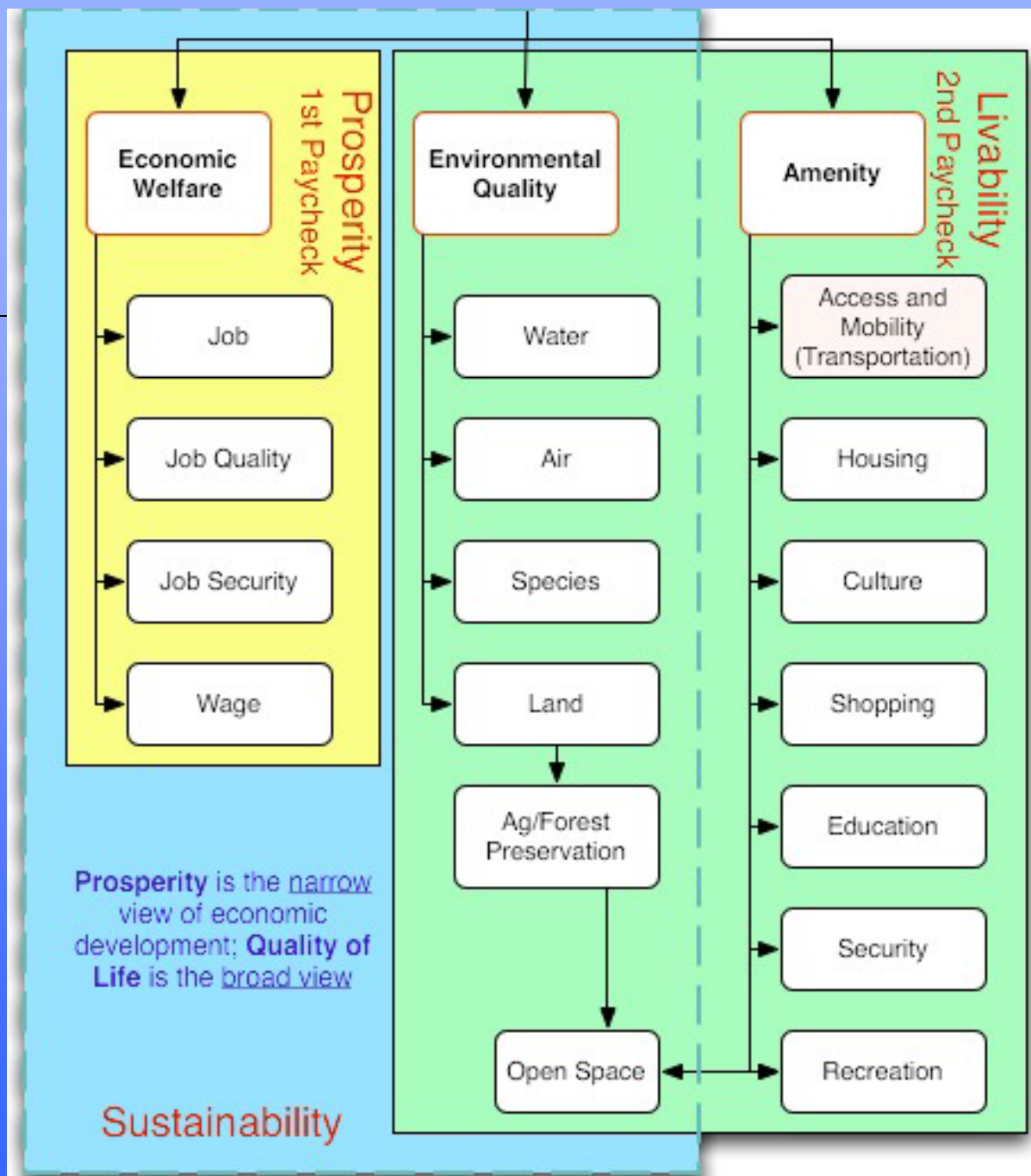
# Emerging View

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- The process of improving a community's well-being through:
  - Job creation, business growth, and income growth
  - Improvements to the wider social and natural environment that strengthen the economy
- The broader goals also affect the traditional goal of job creation

# Simple Model of Regional Growth





# But jobs still key objective

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- Business creates jobs
- Not all jobs have equal impact
  - Traded sector
  - Clusters with comparative advantage
- If economic development = jobs, and firms are the main job generators, then EcDev policy should focus on:

Factors that matter to firms

# Factors that Matter to Firms

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- 1. Direct inputs
  - Natural resources and supplies
  - Land and buildings
  - Labor: cost and quality

# Factors that Matter to Firms

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- 2. Factors directly affecting the cost of inputs and the revenues from outputs
  - Location relative to supplies and markets
  - Infrastructure and utilities: cost and quality
  - Business clusters

# Factors that Matter to Firms

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- 3. Factors indirectly affecting the cost of inputs
  - Amenity and other quality of life factors (affect labor supply and cost)
  - Government policies



# Implications: one way to organize policy for economic development

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- Land development
  - Land supply
  - Infrastructure provision
  - Development process
  - Quality of life
- Business operations
  - Business development
  - Workforce training
- Business assistance and coordination
  - Business recruitment
  - Business retention
  - Interregional coordination

# Brainstorming Economic Development Strategies

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# Next Steps

# Upcoming Meetings

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- Next stakeholder meeting
  - **July 24:** Review draft EOA
  - August: Committee recess
  - September 25: Discuss community development concepts
- Planning Commission and City Council work sessions
  - September 22: Progress report about EOA and BLI
  - October 27: Policy discussion about site needs